

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
Implementation of the Commercial)	WT Docket No. 05-211
Spectrum Enhancement Act and)	
Modernization of the Commission's)	
Competitive Bidding Rules and)	
Procedures)	

To: The Commission

**REPLY COMMENTS OF THE WIRELESS BROADBAND SERVICE
PROVIDERS ASSOCIATION**

The Wireless Broadband Service Providers Association ("WBSPA") hereby respectfully submits its reply comments in the above-referenced proceeding. Overall, the commenting parties in this proceeding strongly support the general reform of the designated entity ("DE") program as outlined in the Commission's Further Notice of Proposed Rulemaking. Specifically, commenters urge the Commission to prohibit the participation of major wireless service providers from providing financial support to DE eligibles in the upcoming Advanced Wireless Services ("AWS") auction.

Although WBSPA supports the overall gist of comments urging reform of the DE program prior to the AWS auction, comments of certain parties opposing these reforms should be dismissed by the Commission as evading the issues. These parties attempt to dismiss the need for reform of the DE program right now by alleging that the public interest does not call for reform, that the Commission's DE rules work, and that there is no evidence of abuse of the DE program.¹ The Commission should see past the

¹ See comments in general of Cook Inlet Region, Inc., Verizon Wireless, T-Mobile USA, Inc., and CTIA – The Wireless Association, collectively filed February 24, 2006.

arguments raised by these self-serving parties in opposition to reform as those of the very entities that would like to participate in the AWS auction in order to obtain significant bidding credits on spectrum that they are not entitled to receive under the law² – and as the very parties that have been the unintended beneficiaries of these bidding credits since the Commission began auctioning spectrum and initiated the DE program.

WBSPA also would like to refine and clarify its suggestion in its comments regarding whether any communications service provider with revenue above a threshold \$1 billion level should be permitted to fund a DE's auction participation. It is WBSPA's position that only those communications service providers whose telecommunications activities are subject to state or federal telecommunications regulations and whose revenues exceeded \$1 billion in the last calendar year, should be prohibited from funding a DE to support its participation in an FCC auction. Companies such as Intel (which funds emerging wireless companies)³, Google (which is pursuing wireless deployments)⁴, and EarthLink (which is pursuing wireless deployments)⁵, should be permitted to enter into financial relationships with DEs in order to support their auction participation. Entities that have not traditionally been involved in regulated telecommunications should be welcome new partners and entrants into telecommunications to support DEs to acquire spectrum much needed for the creation of new competition. This is in the public interest.

² With the possible exception of Cook Inlet Region, Inc., absent support from T-Mobile USA, Inc.

³ See <http://www.intel.com/capital/about.htm> <http://www.intel.com/capital/about.htm>.

⁴ See <http://wifinetnews.com/archives/006305.html>.

⁵ See http://www.earthlink.net/about/press/pr_wireless_philly/.

Finally, WBSPA would like to reaffirm that the Commission should create set aside spectrum blocks in the AWS auction on which only DEs may bid. With reform of the DE rules to prohibit the participation of large regulated communications companies, set aside programs will work to ensure that spectrum is awarded to new entrants and small business as Congress and the Commission intended. Hindsight has shown that the problems associated with the DE program of the past and the abuses of that program by large wireless companies are the reasons for the failure of spectrum to get into the hands of DEs, and not the set aside programs (spectrum from which also ultimately ended up in the hands of the largest wireless providers as has been demonstrated in this proceeding by Council Tree and others). It is time for the Commission to reinstate set asides in Auction 66 so that *only* true DEs can compete against each other for that spectrum.

Conclusion

WBSPA respectfully requests the Commission consider the foregoing reply comments prior to entering a decision in this proceeding.

WIRELESS BROADBAND SERVICE PROVIDERS ASSOCIATION

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